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DOS review completed

#### GENERAL

| 1. | US reply to Spaak's craticisms—The Department of State has      |
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|    | replied to the friendly criticisms of democratic leadership     |
|    | voiced by Belgian Prime Minister Spaak                          |
|    | by pointing out that: (a) the US                                |
|    | considers voluntary cooperation and concerted action by in-     |
|    | dependent countries the democratic counterpart to the dictation |
| •  | of totalitarianism; (b) the European recovery program basically |
|    | represents an effort to replace "disorganization" of the demo-  |
|    | cratic processes with a maximum concerted cooperative effort;   |
|    | and (c) the US favors Belgian and Netherlands participation in  |
|    | the settlement of German problems and expects that the USSR     |
|    | will be prevented from blocking such participation.             |
|    |   |

2. Eire views on interim meeting of the CEEC--According to US Legation Dublin, the Eire Government will participate in an interim meeting of the CEEC if a meeting is called, but it doubts the advisability of such a meeting except for the purpose of "vitalizing the psychological aspects" of the program. The Government fears that an interim meeting might produce:

(a) disappointingly limited results which would lead to adverse publicity; and (b) "bickerings for allocations" which would intagonize the US Congress and jeopardize the program.

### EUROPE

- 3. FRANCE: Cabinet to consider opening of Spanish border -- US
  Ambassador Caffery has learned that
  Bidault is going to request Cabinet authorization to negotiate
  with the Spanish Government concerning the opening of the
  French-Spanish frontier. Caffery's source believes that Cabinet approval probably will be given
- 4. GREECE: Yugoslavia refuses to consider Greek protest--The Greek Charge Beigrade has informed US Ambassador Cannon

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# TOP SECRET CONFIDENTIAL

that the Yugoslav Foreign Office has returned as "nonreceivable" the Greek Covernment's 27 December 1947 nois protesting Yugoslavia's extension of press and radio facilities for the promulgation of Warkos' "free Greek government" declarations.

### NEAR EAST-AFRICA

5. PALESTINE: Arab states seen as fearing foreign domination-US Ambassader Wilson reports the conclusion of former Premier Rauf Orbay (Turkey's leading elder statesman and a close Friend of Arab state leaders) that the Arabs will never accept the parttion of Palestine because they believe that a Zionist state, i matileto survive without cuttide support, would ultimately involve the destruction of Arab independence through foreign domination. According to Orbay, the Arabs do not consider current US suprore for Zionism imperialistic, but they fear that the Zionists may eventually turn to "some other major power" which would exploit the situation against the Arabs. Orbay added his personal belief that the only beaceful solution is for the UN to declaie partition unworkable and to create a single federated statet he believes that the Arabs would accept numerical parity with the Jews in such a state, provided Jewish acquisition of land was restricted.

#### FAR EAST

6. INDONESIA: Dutch may accept proposal for settlement of prisis—
The US Delegation to the GOC reports that the Netherlands delegation may shortly accept as a basis for political settlement with the Republic the principles which were submitted by US representatives in order to avert a breakdown in negotiations

The US delegation considers #

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essential that the Department of State continue to press the Tutch Government to accept these principles. According to US

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Embassy The Hague, Dutch acceptance of the agreement is "predicated on the signature of a truce agreement and its thorough-going implementation by the Republic."

(CIA Comment: Dutch insistence on "thorough-golig implementation" of the truce affords the Dutch a significant escape clause and an opportunity to regain liberty of action in case the Republic is mable to enforce its order to cease fighting.)

Adviser Langdon reports that the South Korean leftists, est mated at "less than 25%" of the electorate, will boycott the UN-observed elections and that the moderates will splinter over the issue of "separatism" when it becomes apparent that the Commission will be forced by Soviet boycott to restrict its activities to South Korea. Langdon concludes that the right ses will consequently cooperate fully with the Commission and that a "monolithic rightist regime will emerge" from the elections

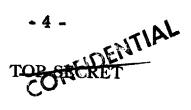
(CIA Comment: Thee Syngman, who has recently were effective control of the Korean Right, has consistently striver for dictatorial rule over a separate South Korean Government and can now be expected actively to cooperate with the Commission as long as such cooperation favors his ambitions.)

8. CHINA: Communists confident of victory—US Ambassador Stuart, reporting his analysis of the 25 December 1947 state—ment of Mao Tse-tung, Chinese Communist leader, is impressed chiefly by: (a) Mao's "note of triumphant conviction" that the Communists will be victorious in China; and (b) his "continuous and vitriolic attacks on the US" as "a major enemy of the proofe of China." He observes further that there is a striking similarity between the argument and invective of Mao and that of other Communist leaders throughout the world.

# TOP SECRET CONFIDENTIAL

9. SIAM: Possible split in present regime -- According to US
Embassy Bangack, the UK Ambassador has learned

by the military clique in the coup movement that failure to observe the wishes of the military group may result in the replacement of the Cabinet. The UK Ambassador added that the first reaction of the Cabinet was to resign but it has since decided to carry on until the elections at the end of January. Embassy Bangkok comments that another coup may be precipitated by the friction developing between the Government and the military group.



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